

► SPECIAL EDITION

122nd Second Regular Legislative Session

The following legislative summaries are not meant to explain the full complexity of these enacted bills. While we have attempted to include those bills that impact the Maine Insurance Code, this listing is not intended to be all inclusive. Readers interested in complete information on enacted laws may contact the state's Engrossing Division at (207) 287-1324 or (207) 287-1689 to request a copy of the law. Full text of the Laws of Maine as enacted by the Second Regular Session of the 122nd Legislature are available on-line at:

<http://janus.state.me.us/legis/ros/lom/LOM122nd/LOM122Directory.htm>.

Unless specifically stated in the summary, laws enacted in the Second Regular Session are effective August 23, 2006.

L.D. 1734 Public Law Chapter 493 – *Increase Accessibility to **Health Insurance***. Expands the eligibility for individual health insurance coverage by broadening the definition of legal domicile. Under the new definition, the individual must satisfy at least two of six criteria.
Emergency effective 3/16/06

L.D. 1885 Public Law Chapter 544 – *Clarifying Ownership of Data Recorded by **Motor Vehicle Data Recorders***. Establishes that the information recorded by a motor vehicle data recorder is the property of the owner of the motor vehicle and may not be downloaded or accessed by anyone other than the owner. In addition, the law also lists several exceptions to the prohibition.

L.D. 2014 Public Law Chapter 532 – *Protecting Youth from Losing **Health Insurance** Coverage*. Requires insurers that provide coverage to dependent children at certain ages only if the children are students, to continue coverage for a student who is unable to remain in school on a full-time basis due to a mental or physical illness or accidental injury.

L.D. 2017 Public Law Chapter 583 – *Amend the Notice of Risk to **Personal Data Act***. Amends the Notice of Risk to Personal Data Act (10 M.R.S.A. §§ 1346 – 1349) which became effective on January 1, 2006, to apply not merely to

information brokers but to persons generally, including insurers.

Requires any person who maintains

(continued)

THE UPDATE

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computerized personal data to investigate promptly to see if misuse has occurred or is reasonably possible and, if so, to notify those affected.

affected by the breach, if known, and the actual or anticipated date that persons were or will be notified of the breach.

Effective January 31, 2007

Those having to give notice must also notify the appropriate regulator at the Department of Professional and Financial Regulation, (which includes the Bureau of Insurance), as information brokers must do now. The notice must include the date of the breach, an estimate of the number of persons

L.D.2021 Public Law Chapter 591 –

*Clarify the **Uninsured Motorist Law**.*

Restricts recovery for injuries or death under uninsured motorist coverage to those sustained by persons insured under the policy.

► ENFORCEMENT ACTIONS (January 2006 - July 2006)

LICENSEE	VIOLATION	PENALTY
Accident Fund Ins Co of America (INS- 05-228)	Failure to respond to inquiry of the Superintendent, 24-A M.R.S.A. §220(2).	\$500 civil penalty, agreement to submit requested data report.
Arch Insurance Company (INS-05-229)	Failure to respond to inquiry of the Superintendent, 24-A M.R.S.A. §220(2).	\$500 civil penalty, agreement to submit requested data report.
Fairmont Specialty Ins Co, North River Ins Co & United States Fire Insurance Company (INS-05-230)	Failure to respond to inquiry of the Superintendent, 24-A M.R.S.A. §220(2).	\$200 civil penalty per company (aggregate \$600), agreement to submit requested data report.
Fairfield Insurance Co (INS-05-231)	Failure to respond to inquiry of the Superintendent, 24-A M.R.S.A. §220(2).	\$500 civil penalty.
National Grange Mutual Ins Co (INS-05-232)	Failure to respond to inquiry of the Superintendent, 24-A M.R.S.A. §220(2).	\$500 civil penalty, agreement to submit requested data report.
One Beacon Insurance Co (INS-05-233)	Failure to respond to inquiry of the Superintendent, 24-A M.R.S.A. §220(2).	\$500 civil penalty, agreement to submit requested data report.
Zurich American Insurance Co (INS-05-235)	Failure to respond to inquiry of the Superintendent, 24-A M.R.S.A. §220(2).	\$500 civil penalty, agreement to submit requested data report.

► ENFORCEMENT ACTIONS

LICENSEE	VIOLATION	PENALTY
Antionette St. Hillaire (INS-06-600)	Felony theft conviction	License revocation
Irene Nutter (INS-06-501)	Felony fraud conviction	License revocation
Pete Verplancken (INS-06-200)	Misdemeanor conviction - embezzlement	Application denied
Javier Beltran (INS-06-202)	Failure to disclose administrative actions by other states	\$500 Penalty by Consent Agreement
CPM Insurance Services, Inc. (INS-06-206)	Failure to disclose administrative action	\$250 Penalty by Consent Agreement
Alison D. Reynolds (INS-06-210)	Failure to disclose misdemeanor	\$100 Penalty by Consent Agreement
Liza Mize (INS-05-237)	Failure to disclose misdemeanor conviction and administrative actions in other states	License revocation
Pauline Cassidy (INS-05-501)	Felony and misdemeanor theft convictions	License revocation

LICENSEE	VIOLATION	PENALTY
Bankers Life & Casualty Company (INS-06-203)	Failure to comply with paragraph 38 of the April 14, 2005 Consent Agreement, Docket No. INS 05-202, which required Bankers Life to ensure that all of its Maine producers have clearly identified the title of "Insurance Agent" or "Insurance Sales Representative" on their business cards.	Penalty - \$7,500 by Consent Agreement
Fortis Health Insurance Co, Assurant Health Ins Co, & John Alden Life Ins Co (INS-05-218)	Violation of 24-A M.R.S.A. § 2849-B(8)(B) by issuing successive short term health insurance policies providing coverage for a combined term of more than the statutory limit of 12 months.	Penalty - \$2,000 by Consent Agreement
United Healthcare Insurance Co (INS-05-240)	Violation of 24-A M.R.S.A. § 2154 by sending a misleading letter of advertisement stating that issuance of a Medicare supplement plan was guaranteed if the applicant did not have end stage renal disease. When the Medicare beneficiary applied for a policy the application was denied.	Penalty - \$5,000 by Consent Agreement
Genworth Life Ins Co & Genworth Life & Annuity Ins Co (INS-06-204)	Violations of 24-A M.R.S.A. § 2316 by issuing for delivery in Maine forms that were not in accordance with effective filings. Violations of 24-A M.R.S.A. § 2412(1) by issuing for delivery in Maine contracts without the approval of the Superintendent.	Each insurer paid a \$1,000 penalty by Consent Agreement